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# **WAR AND THE MIDDLE CLASS**

**An Inquiry into the Effects of Wartime Inflation  
on Middle Class Families in Bombay City**

BY

**J. J. ANJARIA**

**D. T. LAKDAWALA**

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**P A D M A**



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## **WAR AND THE MIDDLE CLASS**

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## P R E F A C E

THIS enquiry was commenced in November 1944 under the direction of Professor C. N. Vakil. In his absence since February last year on deputation to the Government of India, the work of directing the enquiry and editing the report has devolved on me. Dr. Lakdawala has supervised the work of tabulation and has been mainly responsible for the drafting. Mr. S. A. Pandit, Research Assistant in the Economics Department, has done the arduous work of tabulating the data, of arranging and re-arranging them as required and of deducing preliminary results. He, therefore, rightly shares the authorship of this brochure.

Some 20 students of the School gave their voluntary services for the investigation work. Our thanks are due to all of them, and especially to Mr. B. M. Masani, Miss Menczes and Miss A. D. Shroff for helping further in the work of tabulation.

I must also thank Mr. D. R. Samant, Lecturer in the Department, for supervising and checking up the work of the student-investigators and Mr. B. V. Krishnamurthy, Research Assistant in the Department, for help in tabulation and arrangement of results.

Lastly, it is a pleasant duty to acknowledge with thanks the grant from the University of Bombay to cover the expenses of the investigation.

*Bombay,  
10th January, 1946.*

J. J. ANJARIA



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Class Families in Bombay City

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## I

It is well known that although the high wartime prices have benefited a few rich at the top and have also created a new well-to-do class, they have affected adversely large masses of the population whose incomes did not increase *pari passu*. The war effort implies a reduction in the amount of goods and services available to the public. The inflationary method of financing the war would only aggravate the suffering of the people by distributing the real war burden inequitably as seen from the food and cloth famine witnessed in this country. The various price control and distribution control measures could alleviate this situation only to a limited extent.

It would be interesting but is in fact impossible to know how exactly the income, expenditure, and habits of saving and investment of the different classes of the population were affected by these wartime economic changes. The aim of the investigation on which the present study is based was quite modest, *viz.*, to find out how the middle class had fared during the war period as a result of inflation and price control. As the middle class in our country does not always keep accounts and there is a natural reluctance on the part of people to supply detailed information regarding savings and indebtedness, the inquiry had to be limited to the income, expenditure, savings and consumption habits of this class in August 1939, the latest pre-war month, and October 1944, the month just before our inquiry started. The middle class forms a small proportion of the total population and the Bombay middle class is hardly representative of the Indian middle class. Because of the earlier introduction and greater effectiveness of price control and distribution measures in Bombay City, which by the time of the starting of our inquiry included cheap milk supply to children, this section was a comparatively favoured one. The present study can, therefore, be only an infinitesimally small contribution towards a detailed knowledge of the picture as a whole. Even so, it is not without its value.

The term 'middle class' covers a considerable range of income-groups and one has necessarily to select certain manageable, though arbitrary, limits. This inquiry was confined to persons earning between Rs. 50 and Rs. 300 a month in August 1939. The inquiry into middle class family budgets in Bombay City conducted in 1922-24 by the Labour Office attempted to cover a wider range by including families with incomes from Rs. 50 to Rs. 700. Few budgets could, however, be obtained for income groups between Rs. 50-75 and Rs. 225-700, and the report therefore dealt only with the income groups Rs. 75-225.

It was proposed to cover for our inquiry at least 1000 families. A questionnaire was prepared for the purpose and copies of forms were handed over to volunteers selected from among the students of this school and specially trained for the purpose. The task of getting the forms filled up presented, however, more difficulties than we had expected, and we had to content ourselves with 520 forms only. Out of these 478 were found to be valid. This compares unfavourably with the total of 1325 families covered by the Labour Office enquiry in 1922-24 but owing to the limited facilities at our disposal, this could not be helped. It was thought impracticable to get a scientific sample of the middle class population.<sup>1</sup> The volunteers were, however, asked to see that they did not approach too many families living close by, or too many belonging to the same religion or profession.

The classification of families approached according to wards is given below. For purposes of comparison the 1922-24 inquiry figures are also given.

**Table I—Distribution of Families by Wards.**

Ward	No. of Families.	Percentage to total number of families.	1922-24 inquiry : Percentage to total number of families
A	42	8.7	3.55
B	19	4.0	4.30
C	38	8.0	7.17
D	180	37.7	34.26
E	16	3.4	9.81
F	105	22.0	12.38
G	78	16.2	28.53
<b>Total</b>	<b>478</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> As is done for example in the case of working class budgets by the Labour office, where a sample of a certain number per 100 tenements in working class localities is taken.

Thus, in our inquiry a much larger proportion of families has been taken from the A and F Wards and a smaller percentage from E and G Wards than in the 1922 inquiry. This seems justifiable partly in view of the locational shifts of the middle class population. But in any case the methodological limitations of both the inquiries must be recognised.

The classification of the families approached according to the religion of the party concerned is given below :—

**Table II—Distribution of Families according to Religion.**

Religion	Number of Families	Percentage to total number of families	1922-24 inquiry : percentage to total number of families
Hindus	286	59.8	82.4
Muslims	29	6.1	3.0
Parsis	120	25.1	9.4
Christians	39	8.2	2.6
Others	4	0.8	2.6
<b>Total</b>	<b>478</b>	<b>100.0</b>	<b>100.0</b>

It will be seen that Parsis figure much more prominently in our inquiry than in the Labour Office Inquiry. But from the point of view of the purpose in hand, viz., to get an idea of the effect of the war on the middle class in Bombay, this over-representation is perhaps not so objectionable.

**Table III.—Distribution of Families by Income.**

Monthly Family Income in August 1939			No. of Families	Percentage to total No. of families.	1922-24 inquiry : Percentage to total number of families
I	Rs. 50—	Rs. 100	166	34.7	39.6 (Rs. 75-125)
II	Rs. 100—	Rs. 150	146	30.5	38.3 (Rs. 125-175)
III	Rs. 150—	Rs. 200	96	20.2	22.1 (Rs. 175-225)
IV	Rs. 200—300		70	14.6	—
Total			478	100.0	100.0

It will be observed that in both the inquiries a larger proportion of the families examined fall within the first two income groups.

The following table gives the classification of the families by the occupation of the head of the family in August 1939 —:

**Table IV.—Distribution of Families by Occupation in August 1939.**

Occupation	Group I	Group II	Group III	Group IV	Total
Clerks .. ..	106	99	55	41	301 (294) <sup>1</sup>
Teachers & Professors	12	9	4	1	26 (25)
Mechanics .. ..	5	8	7	3	23 (20)
Professionals ..	2	4	5	5	16 (16)
Officers .. ..	21	14	14	6	55 (61)
Miscellaneous ..	20	12	11	14	57 (62)
	166	146	96	70	478

The size and composition of the families of the various income groups in August 1939 and in October 1944 as recorded by us is given below :

**Table V.—Size and Composition of Families by Income Groups.**

Year	Income Group	No. of Families	No. of Adults	No. of children	Total No. of Members	No. of persons per family	No. of earners	No. of earners per family
1939	I	166	472	173	645	3.88	172	1.08
1944			513	259	772	4.65	202	1.21
1939	II	146	551	222	773	5.2	181	1.24
1944			586	262	848	5.80	201	1.37
1939	III	96	369	191	560	5.83	117	1.21
1944			406	213	619	6.44	136	1.41
1939	IV	70	328	130	458	6.54	105	1.50
1944			331	130	461	6.53	118	1.68
1939		478	1720	716	2436	5.09	575	1.20
1944			1838	864	2700	5.64	657	1.37

It will be seen from this table that an average family consisted of 5.09 persons before the war, of which 3.6 persons were adults and 1.5 children. Of the adults only one-third were

(1) The figures in brackets refer to October 1944.

earning. It will be also seen that the higher income groups had a larger size of the family than the lower ones. Though according to the 1922-24 inquiry an average middle class family was smaller, it showed the same relation between the size of the family and the income. Partly this is due to the fact that a larger family has a greater number of earners. The above table shows that in August 1939 whereas an average family in the first income group had 1.03 earners, the second had 1.24 and the fourth 1.50. The case of the third income group does not conform to this pattern, the number of earners per family being slightly less than that in the second. For October 1944, the relation holds good in all the income groups.

Between August 1939 and October 1944 the average size of the family increased in all the income groups. It is not possible to say how far this increase was due to the normal growth of the family and how far due to the present housing scarcity necessitating the staying together of friends and relations or of new adults who would otherwise have established separate hearths and homes. The increase in the size of the family was, broadly speaking, greater in the lower income groups. It was 19.7% in Group I, 9.7% in Group II, 10.5% in Group III and less than 1% in Group IV. The number of adults in the various income groups increased by 8.7%, 6.4%, 10% and 0.9% and of children by 49.7%, 18%, 11.5% and nil respectively. The number of earners per family also shows a rise—17.4% in Group I, 16.1% in Group II, 10.5% in Group III and 12.4% in Group IV.

## II

The first question is how have the incomes of these classes changed during the war period? The following table gives the total and average incomes of the various income groups in August 1939 and October 1944.

Table VI.—Changes in Income Between August 1939 and October 1944.

Income Group	Income		Income per family		% age increase in income during the war		Income per earner		Percentage increase in income per earner		Income per capita		% age increase in income per capita	
	1939 1944		1939 1944		1939 1944		1939 1944		1939 1944		1939 1944		1939 1944	
I	14,550	23,400	88	141	60	85	116	30	23	30	30			
II	18,954	29,182	180	200	54	105	148	39	25	34	36			
III	17,568	23,870	183	249	36	151	171	13	31	39	26			
IV	17,640	23,275	252	333	32	168	198	18	39	51	31			
	68,712	99,727	144	209	45	120	152	27	28	37	32			



In August 1939, the income per family was Rs. 144. In October 1944, the average income had increased by Rs. 65 per family, i.e., by 45%. The rise in income has been greater in the case of the lower income groups, partly because of the greater increase in the number of earners in these groups. This increase however, was not due only to the larger number of earners; the earnings per earner also showed a rise. Further, in spite of the increase in the size of the family, the earnings per capita also increased. The main ways in which income increased are indicated in the following table:—

**Table VII—Main Sources of Income in August 1939 and October 1944.**

Income Group	Basic Income 1939	Basic Income 1944	Subsidiary Income 1939	Subsidiary Income 1944	Dearness 1939	Allowance 1944
I	13,653	19,416	897	1,572	..	2,412
II	17,919	24,158	1,035	1,921	..	3,103
III	16,353	19,966	1,215	1,849	..	2,055
IV	15,650	19,564	1,990	1,710	..	2,001
	63,575	83,104	5,137	7,052	..	9,571

From the above table, it will be seen that in 1939 most of the family income was drawn by way of "basic" income, which constituted about 93% of the total income. In October 1944, this "basic" income had increased by 31% and subsidiary income by 38%. Dearness allowance paid to compensate for the rise in the cost of living amounted to 12% of the basic income. Both subsidiary income and dearness allowance had increased by a larger percentage in the lower income groups; the former had actually declined in the case of the highest income group. A greater number of persons in the lower groups was earning subsidiary incomes in October 1944 than in August 1939, but in the case of the two higher income groups there was a decrease. The following table will show this:—

**Table VIII—Number of persons earning subsidiary income.**

Income Group	1939	1944	% age increase
I	41	50	22
II	35	39	11
III	30	27	—10
IV	23	20	—13
	129	136	5

While the increase in average income has thus varied between 60 and 32 per cent in the case of different income groups, the cost of living has risen more. We have no reliable estimate for measuring the increase in the cost of living of the middle class, whose ways and habits of living differ considerably from those of the working class. The latter's cost of living increased between August 1939 and October 1944 by 128%. If we take this as a rough measure of the rise in the cost of living of the middle class, there was a decrease of about 36% in their real incomes in terms of goods and services. In any case, it would follow that the increase in earnings was not sufficient to enable their families to keep up their old standard of life. They had, therefore, to practise considerable economies in expenditure. The scope for these naturally varied with different items, for all of which reliable estimates regarding changes in consumption were not available. An attempt was, however, made in the course of the inquiry to ascertain quantitative reductions in consumption as far as possible. Reductions in quality which are known to be substantial could not be measured.

The "food" group constitutes the most important item of expenditure. It absorbed 37% of the middle class family incomes in the pre-war period. During the war, the housewife, compelled to reduce her expenses, was bound to devote a large amount of attention to economies in this direction. The normal middle class diet, however, is not rich or variegated enough to permit of any substantial reductions. The result was that the expenditure on this group absorbed a higher percentage of income than in the pre-war period.

Income Group			1939 (in rupees)	1944	% age increase	% age of total income. 1939      1944	
I	..	..	6,341	12,995	105	44	56
II	..	..	7,911	15,213	92	42	52
III	..	..	5,959	12,361	107	34	52
IV	..	..	5,479	10,457	91	31	45
			25,690	51,026	99	37	51

The index of food prices rose much higher. According to the Labour Gazette Cost of Living Index, the increase was about 142%. A reduction in the consumption of food is thus clearly indicated. Because of the varying rises in prices of different food items and the differing elasticities of demand for them this reduction was very unevenly distributed among the different food items.

The items that permitted the least reduction in consumption were cereals and pulses. All efforts were made during the course of our inquiry to ascertain their consumption in August 1939 and October 1944, and except in the case of millets, which does not constitute an important item of diet for the middle class, these were largely successful. The changes in foodgrains consumption during the war as shown by our inquiry are given below :—

**Table X—Consumption of Foodgrains in August 1939 and October 1944.**

Income Group	No. of families consuming	Total consumption 1939 (in Paylees)	1944	Consumption per family in 1939	%age change in consumption
<b>Rice</b>					
I	153	760	760	5.0	...
II	125	1004	945	8.0	- 6
III	89	808	976	9.0	+22
IV	63	631	575	10.0	- 9
	430	3198	3250	7.4	+2
<b>Wheat</b>					
I	131	493	613	3.8	+24
II	115	607	774	5.3	+28
III	78	499	574	6.4	+15
IV	49	401	439	8.2	+ 9
	373	2000	2400	5.4	+20
<b>Pulses</b>					
I	136	350	355	2.6	+ 1
II	122	438	433	3.6	+ 1
III	83	316	323	3.8	+ 2
IV	56	239	213	4.2	-1
	397	1343	1324	3.4	-1

From the table it appears that in the case of almost all the groups rice consumption went down during the war. The consumption of wheat, on the other hand, shows an increase in the case of all income groups, the largest being in the case of the second income group. Total wheat consumption over all income groups registered an increase of 20%. With respect

to pulses, whereas their consumption increased in the case of the first three income groups, in the case of the last there was a 11% decrease. The reason for the varying changes in rice and wheat consumption mainly lie in the relatively inadequate rice rations given in Bombay, compelling people to take more either of wheat or millets. Millets, however, have not been a favourite item of consumption among the middle classes, so that the rise was concentrated on wheat. The fact that the better varieties of rice, which a substantial proportion of the middle class normally consumes, rose more in prices than wheat also probably strengthened this tendency. The increase in pulse consumption in the case of most income groups may be partly due to the shortage of rice or other foodgrains or due to their substitution in place of vegetables.

Since the table showing changes in consumption for the group as a whole may conceal many varying cases, on the previous page are given tables showing the different percentage variations in consumption in each income group. It will be seen that in the case of rice, a larger number of families—173 out of 478—kept their consumption constant and a fairly substantial number, viz., 126 increased the consumption of rice. About 25% of those who used more rice purchased more than 200% of the pre-war quantities, but the increase in the majority of cases was 21-40%. A slightly larger number of families decreased their rice consumption, the usual decrease being of the order of 21-40%. In the case of wheat, while 159 families kept their consumption constant, 164 families used more wheat and only 50 used less of it than in pre-war times. The most frequent increase in wheat consumption was about 100%. Regarding pulses, while a preponderantly large number did not record any changes in consumption, 76 families used less of them than before and 94 more.

As we have already seen, the consumption of foodgrains does not indicate any important change between the two periods. According to the Labour Gazette, retail prices in case of all important foodgrains rose by more than 100%. The rise was 219% in the case of rice, 150% in the case of wheat, 120% in the case of tur dal and 174% in the case of gram. Since the money expenditure on all food items increased only by 99%, this implies substantial economies in protective foods. Information regarding their quantitative consumption was difficult to get. In the case of items like vegetables or milk products like curds and buttermilk bought directly from the market, it was difficult for the families to recollect even roughly their monthly consumption. A similar difficulty was also encountered in the case of eggs and fish. Consumption of milk, ghee, sweet oil, potatoes and mutton could, however, be ascertained.

Table XI—Variations in Consumption of Foodgrains between Aug. 1939 and Oct. 1944

	Percentage Decrease						Percentage Increase						Constant consumption.	No in-consumption. 1
	0-20			21-40			41-60			61-80			Total	Above 100
	0-20	21-40	41-60	61-80	81-100	Total	0-20	21-40	41-60	61-80	81-100	Above 100		
Rice	...	73	20	9	3	30	8	13	8	4	1	15	49	05
I	...	13	18	5	4	40	12	9	0	3	...	5	35	50
II	...	9	14	1	1	26	7	9	4	1	...	7	28	35
III	...	...	...	...	...	...	2	5	2	1	...	3	14	23
IV	...	...	...	...	...	26	2	5	2	1	...	3	14	23
Total for all groups	...	32	65	22	11	131	20	36	20	6	2	30	126	173
Wheat	...	4	3	6	1	14	1	15	13	5	...	29	63	54
I	...	3	7	2	3	15	4	10	5	2	...	27	53	47
II	...	3	7	1	1	11	8	10	...	2	...	10	30	37
III	...	3	3	3	...	10	2	8	4	...	...	9	18	21
IV	...	...	...	...	...	1	...	...	...	...	...	...	...	...
Total for all groups	...	12	20	12	5	50	15	41	22	9	2	75	164	159
Pulses	...	3	5	5	6	21	1	13	4	3	2	10	33	82
I	...	3	5	5	2	23	6	7	8	2	2	8	33	69
II	...	...	7	0	2	...	5	5	5	1	...	2	21	24
III	...	6	4	4	1	15	5	5	5	...	...	5	47	13
IV	...	5	6	6	...	17	3	...	1	...	...	3	7	32
Total for all groups	...	19	22	24	9	76	15	25	18	6	4	26	94	227

1 This group includes also those who did not consume the commodity in question.

2 This and other figures placed horizontally against the groups I to IV indicate the number of families which recorded the percentage variation in consumption mentioned at the top of the column concerned.

**Table XII—Consumption of some Protective Foods in  
August 1939 and October 1944**

Income Group	No. of Families	Total consumption in seers		Consumption per family in 1939	%age change in consumption
		1939	1944		
<b>Milk</b>					
I	155	4165	3453	26.9	—17
II	132	5408	4433	41.0	—18
III	87	4077	3468	46.9	—15
IV	67	3945	3086	58.9	—22
	441	17,595	14,445	39.9	—18
<b>Ghee</b>					
I	111	866	527	7.8	—30
II	89	791	394	8.9	—50
III	64	656	386	10.3	—41
IV	50	623	405	12.5	—35
	314	2936	1710	9.4	—42
<b>Sweet Oil</b>					
I	137	882	882	6.3	....
II	115	1052	953	9.1	—0
III	75	808	799	10.8	—1
IV	56	610	599	10.9	—2
	383	3352	3233	8.8	—4
<b>Potatoes</b>					
I	82	1138	846	13.9	—26
II	76	1288	821	16.9	—36
III	62	1313	747	21.2	—43
IV	44	761	440	17.3	—42
	264	4500	2854	17.0	—37
<b>Meat</b>					
I	69	1275	1093	18.5	—14
II	66	1221	994	18.5	—19
III	45	846	800	18.8	—5
IV	36	1077	874	29.9	—19
	216	4419	3761	20.4	—15

It will be seen from the above tables that the consumption of all these protective foods declined without any important exception. Milk consumption went down by 18%, ghee by 42% and sweet oil by 4%. In the case of vegetables, quantitative information could only be had about potato consumption which declined by 37%. This should not be taken as illustrative of vegetable consumption in general as a large part of shrinkage in potato consumption was due to its absolute scarcity. The only non-vegetarian item whose quantitative consumption we could ascertain was meat which fell by 15%. In order to show

Table XIII—Variations in Consumption of Protective Foods between Aug. 1939 and Oct. 1944

Radio Area		Percentage Decrease						Percentage Increase						Constant consumption.	No information.	
		Percentage Decrease						Percentage Increase								
		0-20	21-40	41-60	61-80	81-100	Total	0-20	21-40	41-60	61-80	81-100	Above 100			Total
Milk	I	2	33	30	5	...	76	4	8	7	...	1	9	29	56	11
	II	11	29	23	5	...	68	2	7	6	...	...	5	20	44	14
	III	7	18	12	3	...	40	8	2	2	...	...	3	15	32	9
	IV	5	10	16	5	...	37	0	4	1	...	...	...	6	24	3
Total for all groups		25	96	75	18	1	215	14	21	16	1	1	17	70	156	37
Ghee	I	4	26	11	5	56	90	1	...	5	...	...	8	14	32	80
	II	2	13	7	3	31	50	2	...	2	...	...	0	14	30	46
	III	3	8	6	4	25	48	...	...	1	...	...	5	9	22	17
	IV	3	3	8	1	15	30	...	...	2	...	...	2	7	18	15
Total for all groups		12	44	34	13	121	224	3	8	10	2	...	21	44	102	168
Sweet Oil	I	11	26	11	4	...	46	5	3	4	6	...	16	28	65	27
	II	13	6	5	5	...	20	2	10	7	2	...	1	23	64	31
	III	4	6	3	1	...	17	3	7	4	2	...	3	19	39	21
	IV	7	6	5	1	...	20	3	3	3	...	...	1	16	26	14
Total for all groups		35	41	24	11	1	112	13	23	18	10	...	15	79	194	63
Potatoes	I	11	15	22	6	...	57	4	2	1	...	...	2	0	16	84
	II	3	18	13	13	...	53	5	2	1	...	...	1	9	14	70
	III	4	13	18	10	3	48	1	...	2	...	...	2	5	9	84
	IV	2	8	9	12	...	31	2	...	...	...	...	2	5	8	26
Total for all groups		20	54	67	44	4	180	12	5	4	...	...	7	28	47	214
Mutton	I	6	12	9	2	6	35	1	3	1	1	...	0	12	22	67
	II	1	11	16	4	6	32	1	1	...	1	...	7	11	23	80
	III	1	8	6	3	21	10	...	...	...	...	...	4	5	19	51
	IV	2	2	7	2	8	16	1	1	1	...	...	4	7	13	34
Total for all groups		10	38	32	11	18	104	3	5	3	2	1	21	35	77	262

the variations in consumption changes among the same income groups the details of consumption changes are given in the table on p. 16. From the viewpoint of the number of persons affected, milk and ghee are the most conspicuous items. Out of the 441 families for which full information was available, only 156 maintained their pre-war consumption of milk and 70 increased their consumption. About 50% of the families—215—had to decrease their milk consumption, most of them decreasing it by 21-60% and this inspite of the cheap milk supply scheme. Ghee consumption has suffered even more. Out of the 370 families for which complete information could be had, only 102 maintained their ghee consumption and 44 increased it. 224 families decreased their use of ghee. The decrease was, in a large number of cases, as high as 81-100%. The consumption of sweet oil suffered much less. Out of the 385 families from whom information could be obtained, 194 families maintained their consumption, 79 increased it and there was a fall in consumption in the case of 112 families. 264 families supplied us with the relevant information as to potato consumption. Only 75 families could keep their potato consumption intact or increase it. No less than 189 families had to decrease it, the most frequent decrease being 41-60%. In the case of mutton, 216 families gave information. Out of them 77 kept their consumption constant and 35 increased it. No less than 104 families had to decrease mutton consumption, in the majority of cases to the tune of 21-60%.

Sugar consumption constituted a special case. Sugar was a rationed item, the ration being fixed at 12 oz. per person per week. The average consumption of a middle class family during August 1939 was 17.2 lbs. and much higher in the two highest income groups; hence the sugar rations were inadequate in many cases. In a few cases, they might have been supplemented by purchases from the black market, but in most cases, the price in that market was sufficiently deterrent. From the following tables which show the changes in sugar consumption it will be seen that out of the 399 families which could furnish information only 65 families maintained it and 78 increased it. 256 families, i.e. about 64%, had to decrease their sugar consumption, the most frequent decrease being 21-40%.



Table XIV—Sugar Consumption in August 1939 and October 1944

Income Group.	No. of families	Consumption in lbs.		Consumption per family.	% are change in consumption.
		Aug. 1939	Oct. 1944.		
I	135	1611	1150	11.9	—29
II	110	2013	1530	16.9	—23
III	81	1567	1223	19.3	—22
IV	64	1589	1024	24.8	—36
	309	6880	4947	17.2	—38

Table XV—Variations in Sugar Consumption between Aug. 1939 and Oct. 1944

	Percentage Decrease						Percentage Increase						Constant consumption.	No in-formation.
	0-20		21-40		41-60		61-80		81-100		Above 100			
	Total		Total		Total		Total		Total		Total			
I ...	15	46	14	10	1	80	10	7	7	...	1	5	30	19
II ...	18	37	9	4	3	71	11	6	2	...	...	8	27	21
III ...	17	17	10	0	3	53	7	3	2	2	...	...	15	13
IV ...	8	18	12	3	5	46	2	1	3	...	...	...	6	12
Total for groups	58	118	43	23	12	230	30	17	14	2	2	13	78	65

One would expect *prima facie* that in a large number of cases sugar would be replaced by gur which was not rationed. The following table indicates changes in gur consumption.

**Table XVI—Gur Consumption in August 1939 and October 1944.**

Income Group	No. of families	Consumption in seers		Consumption per family	% age change in consumption
		1939	1944		
I	78	214	230	2.7	+7
II	67	400	406	6.0	+2
III	53	375	409	7.1	+9
IV	43	488	466	11.3	-5
	241	1477	1511	6.1	+2

Thus gur consumption increased but only slightly. The table on p. 20 gives further details regarding changes in its consumption. Out of the 241 families from whom we could secure information regarding gur consumption, 137 kept up their pre-war consumption, 49 decreased it and 55 increased it. Among those cases, where the consumption was increased, the most frequent increase was 100% and over, whereas where it decreased, the reduction was normally of the order of 41-60%.

In spite of the decrease in sugar and gur consumption as a whole, tea consumption has suffered no decline. The following table gives changes in tea consumption.

**Table XVIII.—Tea Consumption in August 1939 and October 1944.**

Income Group	No. of families	Consumption in seers		Consumption per family	% age change in consumption
		1939	1944		
I	151	230	237	1.5	+3
II	130	238	240	1.8	+1
III	91	190	192	2.1	+1
IV	68	168	147	2.7	-13
	485	826	816	1.9	-1

Tea consumption thus increased in the case of the first three income groups but suffered a sharp decline in the case of the fourth income group. The total decline in tea consumption works out at only 1%. Table XIX gives the detailed change in its consumption.

Table XVII—Variations in Gur Consumption between Aug. 1939 and Oct. 1944

	Percentage Decrease						Percentage Increase						Constant consumption.	No information.
	0-20	21-40	41-60	61-80	81-100	Total	0-20	21-40	41-60	61-80	81-100	Above 100	Total	
I	...	3	6	1	1	11	...	2	6	1	...	9	18	88
II	...	2	9	3	...	14	2	6	2	3	...	14	38	79
III	...	3	5	...	...	8	1	4	7	...	...	4	18	43
IV	...	2	9	3	...	16	...	1	1	...	...	5	7	27
Total	2	10	20	7	1	40	3	13	16	3	...	20	55	237

Table XIX—Variations in Tea Consumption between Aug. 1939 and Oct. 1944

	Percentage Decrease						Percentage Increase						Constant consumption.	No information.
	0-20	21-40	41-60	61-80	81-100	Total	0-20	21-40	41-60	61-80	81-100	Above 100	Total	
I	...	1	0	1	...	21	0	2	10	...	...	11	23	15
II	...	2	4	1	...	13	1	6	4	...	...	4	15	16
III	...	5	2	...	...	7	...	5	7	...	...	3	15	66
IV	...	1	5	2	...	13	...	4	1	...	...	1	6	7
Total	4	26	20	4	...	54	1	17	23	...	...	10	59	43

Out of the 435 families which gave information regarding tea consumption, 322 recorded no change, 54 decreased it and 39 increased it. It seems that the decrease in sugar rations did not lead to any reduction in tea consumption.

We have already referred to the large decrease in ghee consumption in October 1944. Many of these families took to vegetable ghee for the first time. The following table sums up the wartime changes in this direction.

**Table XX.—Variations in consumption of vegetable ghee**

Income Group	Stopped use	No information	No use of vegetable ghee through-out	Used for the first time during war	Constant consumption in both the periods	Increase in consumption in Oct. 1944	Decrease in consumption in Oct. 1944
( Number of Families ).							
I	1	2	84	57	9	10	3
II	2	..	64	69	7	3	1
III	..	1	46	37	4	4	4
IV	..	1	41	27	..	..	1
	3	4	235	190	20	17	9

Thus nearly 40% of the families examined took to vegetable ghee for the first time.

Regarding the items where no satisfactory information about quantitative consumption could be had, we made all attempts to get the money expenditure during both the periods. In the case of fish and vegetables our attempts in this direction were successful. The following table sums up the information regarding vegetables.

**Table XXI.—Expenses on Vegetables in Aug. 1939 and October 1944.**

Income Group	No. of Families	Expenditure on vegetables		%age change in expenditure
		1939	1944	
I	144	757	1,291	+ 71
II	126	780	1,503	+ 93
III	82	507	1,191	+133
IV	65	447	995	+123
	417	2,491	4,970	+ 99

In view of the large variety in vegetables and the different changes in their prices between the two periods, it is difficult

to make any exact estimate of the quantitative changes in consumption. But the reduction in consumption must have been substantial.

**Table XXII.—Expenditure on Fish in August 1939 and October 1944.**

Income Group	No. of families	Expenditure on Fish		%age change in expenditure.
		1939	1944	
I	67	305	506	+66
II	64	353	548	+55
III	42	257	415	+61
IV	39	255	380	+49
	212	1,170	1,849	+58

The expenditure on fish of all the income groups had gone up by 5% but the fish prices according to the Labour Gazette increased by 147%. This gives us an idea of the substantial reduction in fish consumption.

Thus from the above tables it seems that the consumption of all protective foods has declined considerably. When it is remembered that the Bombay middle class was never a well-fed class, that its pre-war consumption of protective foods left much to be desired, and that between August 1939 and October 1944 there was a significant increase in the number of persons per family, the adverse effects of this reduction can be easily visualised.

#### IV

Next to food, rent occupies a dominant position in the middle class budget. The following table shows the expenditure of the various income groups on this item in both the periods.

**Table XXIII.—Expenditure on Rent in August 1939 and October 1944.**

	Expenditure in Rupees		%age change	%age of total income	
	1939	1944		1939	1944
I	2968	3240	9.1	20	14
II	3649	3730	2.3	19	13
III	2756	2873	4.2	16	12
IV	2515	2601	3.4	14	11
	11888	12444	4.6	17.3	12.5

The middle class families spent 17·3% of their income in rent in pre-war years. Analysed by income groups, there was a tendency for the percentage of income devoted to rent to fall with increase in incomes. In October 1944, the total expenditure by way of rent showed an increase of only 4·6% and accounted for 12·5% of the income. This was due to the Rent Restriction Act which has been of great benefit to the middle classes. No cases of premia were reported, because all the families we approached had settled down in Bombay City before the war.

## V

War also necessitated changes in the consumption of many items of fuel and lighting. The item most affected by the course of the war is kerosene whose supplies for civilian consumption have shrunk at least by 50%. Thanks, however, to a fairly equitable system of distribution, kerosene prices have been kept down, the price index being 157 in October 1944. In Bombay City, kerosene was rationed. The fall in the consumption of kerosene is given in the table below.

**Table XXIV.—Consumption of Kerosene in August 1939 and October 1944.**

Income Group	No. of Families	Consumption in Gallons.		Consumption per family 1939	%age change in consumption.
		1939	1944		
I	88	236	84	2·7	—64
II	109	366	124	3·4	—66
III	71	258	104	3·6	—60
IV	53	199	87	3·8	—56
	321	1059	399	3·3	—62

Thus, there has been a large fall of 62% in the consumption of kerosene. This reduction has been fairly equitably distributed among the various income groups. The detailed variations in consumption are set out in Table XXV. The result of this acute shortage of Kerosene has been that inspite of the very high coal prices (192% increase) the majority of people had to maintain their coal consumption intact or even increase it. The changes in this are given in Tables XXVI and XXVII.



Table XXVII—Variations in Coal Consumption between Aug. 1939 and Oct. 1942

Income Group	Percentage Decrease							Percentage Increase							Constant consumption.	No information.
	Percentage Decrease							Percentage Increase								
	0-20	21-40	41-60	61-80	81-100	Total*		0-20	21-40	41-60	61-80	81-100	Above 100	Total		
I ...	11	9	10	4	7	41		5	12	5	3	1	18	44	65	16
II ...	8	12	12	4	4	40		6	8	8	1	...	24	47	50	0
III ...	3	10	7	4	1	25		4	5	13	3	...	7	32	25	14
IV ...	2	10	5	5	3	25		5	5	2	3	...	5	20	18	7
Total	24	41	34	17	15	131		20	30	28	10	1	54	143	158	46

\* A considerable proportion of the families visited by us had increased their firewood consumption. No estimates of the quantitative increase in firewood consumption are available but some idea can be had from the fact that no less than 50 people began to use firewood for the first time during the war.



The total expenditure on fuel and lighting during both the periods is given below.

**Table XXVIII.—Expenditure on Fuel and Lighting in August 1939 and October 1944.**

	Expenditure in rupees		%age increase	%age of Income	
	1939	1944		1939	1944
I	943	1609	72	6.5	6.9
II	992	2018	103	5.2	6.9
III	1118	1425	26	6.4	6.0
IV	528	1155	119	3.0	5.0
Total	3581	6207	73	5.2	6.2

## VI

Clothing and other household effects is an item which occupies an important position in the average middle class family budget and it had to bear its share of reduction. It was not possible to get the consumption of cloth in yards per family in both the periods but expenditure on cotton cloth during 1939 and 1944 was obtained, and the expenditure in August 1939 and October 1944 was taken to be one-twelfth of these. This in relation to the rise in prices which was 295 in October 1944 gives an idea of the considerable economies practised.

**Table XXIX.—Expenditure on Cotton Cloth in August 1939 and October 1944.**

	Expenditure in rupees		%age increase	Exp. as %age of income	
	1939	1944		1939	1944
I	862	1462	70	5.9	6.2
II	982	1505	53	5.2	5.2
III	763	1314	72	4.3	5.5
IV	713	1167	64	4.1	5.0
	3320	5448	64	4.8	5.6

Thus the expenditure on cotton cloth increased by 64%. This meant roughly speaking a reduction in consumption of 44%.

The fact that many other items in this group 'clothing and other household effects' are fairly durable goods and not bought even from year to year makes it very difficult to ascertain the changes in expenditure with respect to them. The same method

was followed as in the case of cotton cloth in determining the expenditure on them in August 1939 and October 1944. The results are erratic, though the fact of reduction in consumption can be observed even here. Take for example the expenditure on silk and wool :—

**Table XXX.—Expenditure on Silk and Wool in August 1939 and October 1944.**

		Expenditure in Rupees.		%age increase
		1939	1944	
Silk	I	281	1212	331
	II	320	661	177
	III	561	895	60
	IV	261	384	47
		1323	3152	138
Wool.	I	110	208	89
	II	105	412	292
	III	149	416	179
	IV	235	225	—4
		599	1261	111

If it is recollected that both silk and wool were unavailable during 1944 except at fancy prices, the reduction in consumption will be apparent. It might further be noted in this connection that out of the 60 persons who purchased wool and silk in 1939, 36 did not purchase any wool in 1944 and 18 no silk. The expenditure on overcoats is given below :—

**Table XXXI.—Expenditure on Overcoats in August 1939 and October 1944.**

		Expenditure in rupees.		%age increase.
		1939	1944	
I	I	68	116	71
	II	19	43	126
	III	30	49	63
	IV	121	126	41
		238	334	40

In view of the similar experience in the case of most items and difficulties in ascertaining reduction in their consumption we refrain from quoting the expenditure on items like stitching charges, utensils etc. The following table gives the total expenditure on this group in both the periods.

**Table XXXII.—Expenditure on clothing etc. in August 1939 and October 1944.**

Income Group	Expenditure in rupees		%age increase in Expenditure	%age of income	
	1939	1944		1939	1944
I	1,064	1,780	66	7.3	7.6
II	2,194	1,670	—24	11.5	5.7
III	1,660	3,222	92	9.4	13.5
IV	2,389	2,050	—14	13.6	8.8
	7,307	8,722	19	10.6	8.7

It is surprising to see that in the case of two income groups—Group II and IV—the expenditure actually decreased. This may be due to the faulty data supplied by the parties concerned ; and/or the explanation may lie in the durable character of many of the articles in this group, which permits of a large reduction in their purchases. The percentage of income spent on this group of commodities decreased on the whole from 10.6% to 8.7%.

## VII

The rest of the items in the family budget (toilet, tobacco, liquor, stationery, medicine, education etc.) have been grouped together under 'miscellaneous'. The increase in prices of these items has had a wide range but most of them permit a large reduction and have therefore borne the brunt of economy. Unfortunately, no estimates of this reduction are possible. The following table gives the expenditure on these during the periods under review.

**Table XXXIII.—Expenditure on Miscellaneous Items in August 1939 and October 1944.**

	Expenditure in rupees		%age increase in Expenditure	Exp. as %age of Income	
	1939	1944		1939	1944
I	4181	6547	56	29	28
II	6097	9567	57	32	33
III	5816	7714	32	33	32
IV	5441	6935	28	31	30
	21535	30763	42	31	31

Thus, the increase in expenditure on miscellaneous items being practically of the same magnitude as the increase in income, the percentage of income devoted to miscellaneous items remained the same.

# VIII

The following tables give a nutshell view of the patterns of expenditure in August 1939 and in October 1944.

**Table XXXIV.—Distribution of Expenditure in August 1939.**

		Food	Rent	Fuel and Lighting	Cloth etc.	Mis- cella. c u s	Total
Group I	.. ..	6,341	2,968	943	1,064	4,181	15,497
%age	.. ..	(40.9)	(19.1)	(6.1)	(6.9)	(27)	
Group II	.. ..	7,911	3,640	992	2,194	6,097	20,843
%age	.. ..	(38.0)	(17.5)	(4.7)	(10.5)	(29.3)	
Group III	.. ..	5,959	2,756	1,128	1,660	5,816	17,319
%age	.. ..	(34.4)	(15.9)	(6.5)	(9.6)	(33.6)	
Group IV	.. ..	5,479	2,515	528	2,389	5,441	16,352
%age	.. ..	(33.5)	(15.4)	(3.3)	(14.6)	(33.2)	
		25,690	11,888	3,591	7,307	21,535	70,011
%age	.. ..	(36.7)	(17.0)	(5.1)	(10.4)	(30.8)	

**Table XXXV.—Distribution of Expenditure in October 1944.**

Group I	.. ..	12,995	3,240	1,609	1,780	6,547	26,171
		(49.6)	(12.4)	(6.2)	(6.8)	(25.0)	
„ II	.. ..	15,213	3,730	2,018	1,670	9,567	32,198
		(47.2)	(11.6)	(6.3)	(5.2)	(29.7)	
„ III	.. ..	12,361	2,873	1,425	3,222	7,714	27,595
		(44.8)	(10.4)	(5.2)	(11.7)	(27.9)	
„ IV	.. ..	10,457	2,601	1,115	2,050	6,935	23,158
		(45.2)	(11.2)	(4.9)	(8.8)	(29.9)	
		51,026	12,444	6,167	8,722	30,763	109,122
%ages	.. ..	(46.8)	(11.4)	(5.6)	(8.0)	(28.2)	

It will be seen from the tables given above that whereas the expenditure of the middle class taken as a whole increased in the case of all expenditure groups, the percentage of expenditure increased in the case of some items and decreased in others. This is natural in view of the varying elasticity of demand, different increases in prices and the greater or less thoroughness of the distribution measures in the case of different groups. The most notable instance of decrease is the expenditure on rent, the %age on which declined from 17.0% to 11.4%. The next instance of decrease is the group 'cloth and other household effects' the expenditure on which declined from 10.4% to 8%. Unlike in the case of rent, where it is price stabilization at the pre-war rate that has made possible a reduction in percentage expenditure, the decrease in expenditure on clothing etc. is due to a larger reduction in consumption. To what extent this

meant drawing upon past stocks or reducing the average size of the 'wardrobe' it is impossible to say. The percentage expenditure on the miscellaneous group also declined from 30·8% to 28·2%. The proportion of expenditure on food, and fuel and lighting increased. Food accounted in October 1944 for 46·8% of the total expenditure as compared with 36·7%. The large increase in prices in this group and the difficulties of carrying out any substantial economies account for this result. The expenditure on fuel increased from 5·1% to 5·6%.

## IX

In spite of the economies of consumption which the above tables indicate, the total expenditure increased by more than the increase in income. The following table gives the expenditure of the families over the period.

**Table XXXVI.—Total Expenditure in August 1939 and October 1944.**

Income Group	Total expenditure in Rupees		% increase in Expenditure	Expenditure as %age of income.	
	1939	1944		1939	1944
I	15497	26171	69	106	112
II	20843	32198	55	110	110
III	17319	27595	59	99	116
IV	16352	23158	41	93	99
	70011	109122	56	102	109

It appears from the above that the first two income groups could not live within their incomes even during August 1939. The wartime rise in prices added to their deficits and the third group was converted from a surplus to a deficit position. The fourth group managed to live within its means but its savings were largely reduced. The following table shows these results at a glance.

**Table XXXVII.—Savings or Deficit in August 1939 and October 1944.**

Income Group	1939	1944
I	— 947	—2771
II	—1889	—3016
III	+ 249	—3725
IV	+1288	+ 117
	—1299	—9395

This must have resulted either in a large reduction in the past savings or an increase in indebtedness. It would be interesting to know the effects of the war on middle class savings and indebtedness. Unfortunately we could get these figures only in a very small number of cases from which it is not possible to deduce any conclusions. One must, therefore, be satisfied with this indirect evidence.

## X

The conclusions of this enquiry may be stated as follows :

(a) The income of the middle class families examined increased in the aggregate by 45% ; income per family and per capita increased by 27% and 32% respectively.

(b) This increase was insufficient to compensate for the rise in the cost of living. Hence considerable economies in consumption had to be practised.

(c) As may be expected, the reduction in consumption varied with different items and in general the pattern of war-time expenditure was different from the pre-war one.

(d) Our analysis reveals no appreciable change in the consumption of foodgrains. The consumption of rice increased by 2% and of wheat by 20%. No figures could be obtained regarding millets. The consumption of pulses remained stationary.

(e) The consumption of protective foods registered a fall. The consumption of milk decreased by 18%, of ghee by 42%, of sweet oil by 4%, of potatoes by 37%, of meat by 15% and of sugar by 28%. The expenditure on vegetables increased by 99% and on fish by 58%, but even so the quantities obtained were considerably less than in 1939.

(f) In spite of these economies on food, the expenditure on food items rose by 99% in the aggregate and constituted 51% of the income as against 37% in the pre-war period.

(g) The percentage of income devoted to rent declined from 17.3 to 12.5, due obviously to rent control.

(h) Fuel and lighting which accounted for 5.2% of the income in August 1939 absorbed 6.2% of the income in October 1944. The consumption of kerosene went down by 62% due to the meagre supplies available under the rationing system. The consumption of coal remained stationary. A large number of families resorted for the first time to the use of firewood.

(i) Regarding clothing and other household effects the expenditure of two of the groups examined fell absolutely in spite of the large rise in prices. This would indicate far-reaching economies. The only economy however that could be roughly calculated was in respect of cotton cloth, the expenditure on which increased by 64% but the consumption went down by 44%.

(j) The expenditure on miscellaneous items increased by 42%—nearly the same percentage increase as in the total income—and thus absorbed the same proportion of income as before, viz. 31%.

(k) Whereas the aggregate income increased by 45%, the aggregate expenditure increased by 56%. The result was that the normal deficit of the income groups (I) & (II) was greatly increased, the normal surplus of income group (III) was turned into a deficit and the normal surplus of group (IV) practically disappeared.

## XI

On the whole it must be said that in regard to foodgrains the efficient system of rationing in Bombay has ensured a sufficiency for at least the middle class families such as we have examined. The prices at which rationed foodgrains have been made available have, however, been so high that the average middle class family has had to retrench expenditure on protective foods which, as we have shown, registered large reductions. In regard to items like clothing, lighting and fuel, the sacrifice in consumption has been quite large. And yet, on balance, the average middle class family has either added to its deficit or cut into its surplus. One may not make any far-reaching generalisations on the basis of a limited enquiry of the present type. It seems to be beyond dispute, however, that the middle class has suffered during the war a reduction not only in the articles of so-called comforts and luxuries but in essential protective foods and this in spite of running into a deficit.

It would be of interest to compare this reduction in consumption forced on the middle class as a result of the policy of inflation and in spite of the various price control measures with similar sacrifices on the part of the people of other belligerent countries. We find, for example, that in the case of U.S.A., Canada and South Africa the question of reduction in consumption did not arise as they managed to increase their productive capacity to such an extent that in spite of the strains of a total war the production of essential consumption goods could be increased. In the U.S.A. no less than 50% of the national

income was devoted to the war effort in 1944. The gross national income, however, increased by 80% between 1939 and 1944 with the result that it was still possible to increase consumption by 20%. In the U.K. which was subjected to the direct ravages of the war the national income increased by 39% between 1939 and 1944 and in spite of large external and internal dis-investments, consumption had to be curtailed to the tune of 20%. We have no data regarding the distribution of this reduction by items and sections of the population. But the various studies on food consumption made during wartime suggest that in regard to food at least all classes of the population were assured the basic minimum. The British people had to change their dietetic habits; they had thus less variety. But on the whole food control in Britain ensured a minimum of nutrition in spite of such enormous difficulties in the way of securing imports and also of increasing home production. If an analysis of the effect of the war on income and expenditure of different classes of the population in India were made, it would bring out the incidence of the burden of the war effort and throw a valuable light on questions like the stabilisation of prices, consumers' subsidies etc. in the years to come.

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# **OUR STANDARD OF LIVING**

by

**Prof. M. L. DANTWALA**

The sub-human standard of living of the vast masses of India, nearly a fifth of humanity, is the biggest indictment of the British Rule in India.

The facts presented in this small book have a great significance for the people of India. Underlying all our differences of caste, creed, religion and few others which may be invented, as the end of British Rule draws near, is a solid substratum of our poverty, illiteracy and ill-health.

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